



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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October 1, 1999

David Miller, Mine Manager
Lodestar Energy, Inc.
HC 35 Box 370
Helper, Utah 84526

Re: Approval of Amendment Addressing NOV 99-26-2-1, Lodestar Energy Inc., Horizon Mine, ACT/007/020-AM99E, Folder # 3, Carbon County, Utah

Dear Mr. Miller:

The Division has reviewed the revised water monitoring information submitted on September 3, 1999, which was submitted to abate NOV99-26-2-1. The amendment is acceptable for insertion to the mine plan and is hereby tentatively approved. Before receiving final approval, six clean copies (redline/strikeout removed) of the amendment must be submitted for insertion to the approved Mining and Reclamation Plan and for distribution.

Once the copies have been received, final approval will be granted. Please submit these items by no later than October 15, 1999.

Other concerns not necessarily related to the NOV were identified during the review. These are listed below for your information and to aid you in future actions that you may take with regard to hydrology issues.

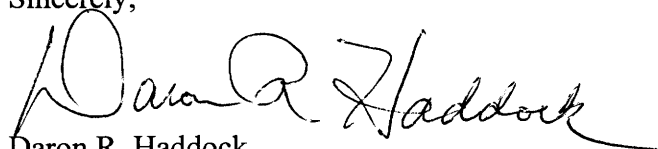
- The water sources and extent of intercepted mine-water needs to be specific and descriptive. This issue remains outstanding until it is resolved. Failure to resolve this issue will slow the application processing for the new lease area.
- The Permittee's failure to meet holding times could result in issuing hindrance violations for all future occurrences.
- Failure to identify a water monitoring point label on the laboratory samples and analyses sheet could result in a hindrance violation.
- The "In-Mine Water Log", presented in Attachment A, does not provide the Division with the raw data to verify the calculations and quantity presented in the Log. Copies from the

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actual field data sheets should be made available to the Division. Failure to produce these logs could become an issue if public concerns arise that require the applicant to demonstrate all regulatory requirements are being met.

Please call me or Sharon Falvey if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Daron R. Haddock". The signature is fluid and cursive, with the first name "Daron" and last name "Haddock" clearly distinguishable.

Daron R. Haddock
Permit Supervisor

tm
cc: Vicky Miller (EarthFax)
Price Field Office
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